

EASTMAN KODAK CO.

APR - 2 2003

PATENT LEGAL STAFF



81934EF-P
Customer No. 01333

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

Philip N. Garfinkle, et al

A METHOD OF PROCESSING A
ROLL OF PHOTOGRAPHIC FILM
AND DISTRIBUTING VISUAL
PRINTS

Serial No. US 10/039,547

Filed 9 NOVEMBER 2001

Commissioner for Patents
Washington, D.C. 20231

Sir:

Group Art Unit: 2851

Examiner: A. Mathews

I hereby certify that this correspondence is being deposited
today with the United States Postal Service as first class
mail in an envelope addressed to Commissioner for
Patents, Washington, D.C. 20231.

Deborah J. Walczak
Deborah J. Walczak

April 29, 2003
Date

TECHNOLOGY CENTER 2800

MAY - 7 2003

RECEIVED

AFFIDAVIT BY STEVE GALE UNDER 37 CFR 131

1.) That I was an employee of PictureVision, a corporation
located in Herdon Virginia, the original assignee of the subject application, from
about January 10, 1996 to May 31, 2002

2.) That during my employment, I was responsible for
providing sales and customer support for the initial PictureVision Online
PhotoCenter, coordinating PictureVision's patent filing efforts, and developing
photographic scanner hardware and software.

3.) I am advised by the attorney currently prosecuting the
subject application that US Patent 5,760,916, which issued on June 2, 1998 on an
application filed September 16, 1996, and US Patent 5,784,461, which issued on
July 21, 1998 on an application filed May 23, 1996, were cited against the claims
of the subject application.

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4.) That as a result of my employment with PictureVision, that I was aware that on a date prior to May 23, 1996 an Internet on-line photofinishing system was being operated by PictureVision in the United States which provided:

A server having digital images stored thereon, one or more images of said digital images having a unique access code for selectively identifying the location of said server where said one or more of said images are stored, said server transmitting said one or more images to a remote computer at a remote location in response to an order submitted by said remote computer over a communication network for viewing of said images, wherein said unique access code is used to identify the location of said server where said images are stored, said server and communication network providing for the viewing and ordering of goods and/or services with respect to said one or more images during access to said server.

A method for selectively receiving an order for a digital image over a communication network, comprising the steps of:

- a. storing one or more digital images on a server;
- b. assigning a unique access code to said one or digital images for identifying the location of said server where said one or more digital images are stored;
- c. allowing selective access to said one or more digital images from a remote location to said server over a communication network using said unique access code for viewing of said one or more digital images and transmitting of an order during access to said server; and
- d. receiving said order with respect to said one or more images over said communication network wherein said unique access code was used for accessing said one or more images.

A system for selectively transmitting digital images from one server over a communication network to a computer, comprising:

a server where digital images are stored, one or more images of said digital images having a unique access code; said unique access code identifying both said server where said one or more images are stored and said one

or more images; said server accepting at least one order from a remote computer with respect to said one or more images wherein said unique access code is utilized by said computer for locating said server, allowing selective access by said computer to said one or more images, and for contemporaneously viewing and ordering of goods and/or services on said computer over said communication network.

A method of processing digital images stored in a server and allowing selective distribution of the digital images over a communication network, comprising the steps of:

- a. providing at least one server wherein digital images are stored wherein a unique access code is assigned to one or more images of said digital images;
- b. facilitating selective authorized access over said communication network to said one or more digital images using said unique access code for locating said server on which said one or more images are stored and providing the contemporaneously viewing and ordering of goods and/or services over said communication network with respect to said one or more images; and
- c. receiving an order over said communication network with respect to at least one of said digital images.

5.) That Exhibits A and B are a copies of articles that describes in general terms the online photofinishing system that was in operation in the United States by PictureVision prior to May 23, 1996.

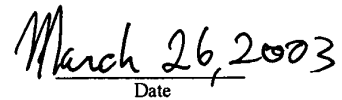
6.) Although some of the above dates may have been expurgated from this declaration and the corresponding exhibits, all the expurgated dates occur prior to May 23, 1996 the filing date of US Patent 5,784,461, September 16, 1996, the filing date of US Patent 5,760,916, and August 29, 1996 the filing date of US Patent 5,757,468.



7.) That all of the statements made herein based on my own personal knowledge are true and that all statements made on information and belief are believed to be true.

8.) I understand that willful false statements and the like are punishable by fine and/or imprisonment, or both, under Section 1001, Title 18 of the United States Code, and that any such willful statement may jeopardize the validity of this application and any patent resulting therefrom.


Signature


Date

PhotoNet™ in the News

THE BOSTON GLOBE • WEDNESDAY, JUNE 16, 1999

Emerging Business

A REPORT ON NEW ENGLAND'S GROWING COMPANIES

THE PHOTOGRAPHY INDUSTRY ATTEMPTS to ease everyday consumers into the digital world have largely overlooked.

High expenses and existing facilities for photo studios, which offer four years of market research, is finally getting on track with graphics, business, and small businesses.

For one of the world's premier consumer companies, focusing PhotoNet technology on business customers was an extension of nature. Consumers paying \$15 or more for a compact disk and hardware more for a player to watch photos on TV was a bad idea Kodak's financial markets have mostly dropped, however substantially.

That's history, but the question remains: What combination of products and services will motivate consumers to step into photography's digital age? The Internet, of course, has answer to everything. Really.

Why not? Perhaps as inexpensive Internet services for viewing, storing, managing, publishing and even monthly billing these photos of justice could complement the already old print paradigm that is as strong as ever. Such a service will debut this summer, creating commercial opportunities for photo studios. It also promises to reduce the market of print and requires changing clients.

Three systems from PictureVision Inc., of Sterling, Va., provide the existing technology: the OnLine PhotoCenter stores images on PictureVision servers for retrieval as well. To upload images to a photo publisher, for example, consumers use the Personal Publishing System, which enables the photo publisher to track images and upload high volumes of them into the OnLine PhotoCenter. "We provide a transition from traditional to digital photography over the Internet while preserving the value

TECH EDGE
John Dodge

Focusing in on digital photos

Internet the key to attracting consumers to new technology

proposition for the photo publisher and retailer. The consumer wins because he or she can just, register and print into digital archives," says Phil Garfinkel, president and chief executive of PictureVision.

PictureVision's proprietary tools a compelling story. "The viewing of great photos, enhance photos, enter what you want, and making decisions - throw out the photo box."

Retailers taking in film for developing systems just started for \$12,000 to \$15,000, but Garfinkel says an online sales can bootstrap an operation for the price of a (small) scanner or \$1,000. PictureVision's revenue will be generated in large part from a set of image processing. "We have our clients on license from Intel systems," he says.

That's not the end of the story, PictureVision has formed a consortium modelled after Frank Transworld

Delivery called PhotoNet, which connects consumers, photo publishers and retailers. Already licensing the system, says Garfinkel, are PhotoNet members Kodak, Quibby Photo, Wolf Camera and Video, Ritz Camera, and Camera World. Higher levels are rumored to be in the works with Fujifilm and Kodak, whose Aperture First is one of several venture capital firms backing PictureVision since its founding 15 months ago. He declined to comment on specific deals, but said several should close shortly.

"The significance will be a simpler and more convenient way to transmit, reordering, print," says Club PhotoCenter is a cyberspace fulfillment house," says Club PhotoCenter is a cyberspace fulfillment house, headquartered in South Portland, Maine.

However, Watson at the moment advocates a simpler way to get photos on a PC screen. For \$250, Kodak - through the retail customers such as Shutterbug's Supermarket - offers a TV, database containing up to 27 exposures and the software to display them. "OnLine PhotoCenter may have better resolution, but PC's PictureShare is here and now and a very affordable point of entry," he says.

While digital photography has hit stride in the commercial sector, consumers are barely aware of it. Loading access to digital images and viewing cards will probably require the print hardware just as computers generated more paper instead of reducing it.

With 700 million rolls processed annually in the United States and 60 million people juggling into the Internet web site, the stakes are huge. That fact is not lost on Richard Watson, the latest owner of digital photo processing and imaging migration to the mainstream.

John Dodge is editor of PC Week and writes a weekly of John.Dodge@STC.com.

Exhibit A

Exhibit B

3/7/10 (Item 1 from file: 696)
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ALLIANCE LAUNCHES ONLINE FILM FINISHING
Report on Electronic Commerce
March 5, 1996 VOL: 3 ISSUE: 5 DOCUMENT TYPE: NEWSLETTER
PUBLISHER: BRP PUBLICATIONS
LANGUAGE: ENGLISH WORD COUNT: 624 RECORD TYPE: FULLTEXT

TEXT:

An online photo processor was launched Feb. 22, designed to let consumers drop off at a retail location film that they could pick up online. The PhotoNet service was launched by Storm Software, PictureVision, Wolf Camera and Konica Corp. to let people choose the prints they want to order on the Internet, and receive final prints both digitally

and a photographs.

The service is up and running now, and consumers either can send in their film by mail or drop it off at any of Wolf Camera's 200 locations. By mid-April, PhotoNet will have a national retail presence when Konica begins supporting the service through its thousands of sites worldwide.

A similar national venture was in the works by Eastman-Kodak Co.'s Kodak Digital Processing, formerly named Kodalux Digital Imaging, but the service has been delayed, according to marketing manager Marcus Colombano. There is some speculation that Eastman-Kodak will join the PhotoNet group, but none of the companies involved would comment on the possibility.

PhotoNet will provide a variety of services for users. Aside from letting people choose which images they would like printed as actual photographs after viewing them on an Internet site, PhotoNet will let users download screen and print-quality images, send images to friends by electronic mail, create a picture calendar and give other people access to the site to order copies of the film.

Photos on Online Greeting Cards

American Greeting Corp., which also is a partner in PhotoNet, will let users include their photographs in an online greeting card, and eventually the PhotoNet service plans to launch online classified ads and job listings that will let users post photographs with their text, said Phil Garfinkle, PictureVision president and chief executive officer.

Pricing for the service will be variable, and different processing chains may choose to let users post the photos online free for two weeks or may charge for the service. After an initial posting, PhotoNet will offer longer-term storage for about \$20 a year for 100 images, Garfinkle said.

The network itself will be a distributed system whereby film finishers can either host their own servers or pay as little as \$5,000 for equipment to let them upload film images to other servers. This will let finishers sell other merchandise to each other's consumers, as well as exchange the film online so that it can be printed in multiple locations.

"We're trying to create an FTD [Florists-style] network for film finishers," Garfinkle said. "This service will be in every consumer's face by the summer."

Under the alliance, PictureVision is supplying a transactional system that will handle online purchases and will deduct royalties from transactions to the finisher. Storm Software is supplying its EasyPhoto technology to enhance the digital photos, and also will sell its EasyPhoto Reader photo scanner to home users who want to upload images onto the service.

Storm recently struck a deal with Hewlett-Packard Co. (HP) to bundle the reader within select HP computers, and the company is working to integrate the PictureVision software with Storm's products so users will be able to easily download and upload photographs, said Claire Dean, Storm marketing manager. Storm hopes to complete the integration by summer, which will allow the company to collect transaction fees from PhotoNet as well as the licensing fee the company receives today.

So far, there are three servers up supporting the PhotoNet service. However, as Konica brings its finishers online, this number will expand rapidly by June, Garfinkle said. Aside from bundling the software for free with personal computer manufacturers like HP, the companies are in discussions with digital camera manufacturers to support the service, Garfinkle said.

Storm can be reached at (415) 691-6675; PictureVision, at (703) 478-2859.

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